

GLOSSARY

A

ACCOUNTING SYSTEM – The total set of records that are used to record, classify, and report information on the financial status and operation of an entity.

ACTIVITY – A task undertaken to achieve an output.

ADOPTED BUDGET – The budget for the ensuing fiscal year that has been approved by the Court of Common Council.

ALLOCATION – The distribution of available monies, personnel and equipment among various city departments, divisions or centers.

ANNUAL BUDGET – An estimate of expenditures for specific purposes during the fiscal year and the proposed means (estimated revenues) for financing those programs.

APPROPRIATION – An authorization made by the legislative body of a government that permits officials to incur obligations and to make expenditures of governmental resources.

ASSESSED VALUE – A valuation set upon real or personal property by the City Assessor as a basis for levying taxes.

ATTRITION – A reduction in the City's Workforce, as a result of resignations, retirements and/or terminations.

AUDIT – A study of the City's accounting system to ensure that financial records are accurate and in compliance with all legal requirements for handling of public funds, including state law and City Charter.

B

BALANCED BUDGET – A budget projected expenditure amount is equal to the projected revenue. For the City of Hartford the city charter mandates a balanced budget.

BOE – Board of Education.

BOND – A written promise to pay a specified sum of money (principal or face value) at a specified future date (maturity date) along with periodic interest paid at a specified percentage of the principal (interest rate). Bonds are used typically for long-term debt.

BOND ANTICIPATION NOTES – Short-term interest bearing notes issued in anticipation of bonds to be issued at a later date.

BUDGET – A budget is a plan for the accomplishment of programs related to objectives and goals within a definite time period, including an estimate of resources required, together with an estimate of the resources available.

BUDGET CALENDAR – The schedule of key dates or milestones that a government follows in the preparation and adoption of the budget.

BUDGET MESSAGE – A general discussion of the recommended budget presented to the Court of Common Council in writing by the Mayor as part of the budget document.

C

CAPITAL IMPROVEMENT PROGRAM (CIP) – A plan for capital expenditures to be incurred each year over a five year period setting forth each capital project, the duration of the project and the amount to be expended each year in financing those projects.

CAPITAL OUTLAY – Accounts for the purchase, construction or renovation of major capital assets.

CASH FLOW BUDGET – A projection of the cash receipts and disbursements anticipated during a given period.

CHRO – Commission on Human Rights and Opportunities.

CRRA – Connecticut Resources Recovery Authority.

D

DEBT SERVICE – Actual cost of interest and principal on bond maturities as well as interest costs of bond anticipation notes.

DEFICIT – (1) The excess of an entity's liabilities over its assets (2) the excess of expenditures over revenues during a single accounting period.

DEPARTMENT – An organizational or budgetary unit established by City Charter or Municipal Code to carry out specified public services.

DEPRECIATION – A decrease or loss in value.

E

EOE - Equal Opportunity Employer.

ENCUMBRANCE – An obligation in the form of a purchase order, contract or salary commitment that is chargeable to an appropriation, and for which part of an appropriation is reserved.

ENTERPRISE FUNDS – A fund established to account for operations that are financed and operated in a manner similar to private business enterprises. The intent is that the full costs of providing the goods or services be financed primarily through charges and fees thus removing the expenses from the tax rate.

EXPENDITURES – The amount of money, cash or checks actually paid or obligated for payment from the treasury.

F

FAIR MARKET VALUATION – The value of a piece of real estate in the open market. Used to determine the assessed value of property for taxing purposes.

FINANCING PLAN – The estimate of revenues and their sources that will pay for the service programs outlined in the annual budget.

FISCAL YEAR – A twelve-month period for which an organization plans the use of its funds. The City of Hartford fiscal year begins July 1 and ends June 30.

FOI – Freedom of Information.

FULL-TIME EQUIVALENT (FTE) – A measurement based on the number of hours a position is budgeted for during the year and its value is represented as a decimal. For example, for a 40 hour work week, one FTE equals 40 hours x 52

weeks or 2,080 hours. The convention used to show one full-time person is 1.0, two full-time persons is 2.0, a three-quarters time person is .7, a half-time person is .5 and a quarter-time person is .3. The amount of the decimal indicates that the full-time funded amount was not paid to an employee due to a position split funded between the general fund and the grant funds, or more commonly, when a position is not filled until after the start of the fiscal year.

FUND – A set of interrelated accounts, which record assets and liabilities, related to a specific purpose. Also, a sum of money available for specified purposes.

FUND BALANCE – The excess of an entity's assets over its liabilities.

FUND STRUCTURE – The City's accounting system is organized and operated on the basis of funds or account groups, each of which is a separate accounting entity. Each fund is accounted for with a set of self-balancing accounts comprised of assets, liabilities, fund equity, revenues and expenditures or expenses, as appropriate. Resources are allocated to the individual funds upon the approval of the Court of Common Council for specific purposes. The funds are grouped into six generic fund types and three broad categories. The two account groups are not funds since they are only concerned with the measurement of results of operations. The types of funds and account groups are as follows:

- **FUND TYPES / GOVERNMENTAL**

Capital Projects Funds – Capital Projects Funds are used to account for the proceeds of general obligation bonds and other financing resources for the planning, acquisition and construction or improvement of major capital facilities such as new schools and urban renewal projects, except for those accounted for in proprietary fund types.

Debt Service Fund – The Debt Service Fund is used to account for the payment of principal and interest on the City's general long-term debt.

General Fund – The General Fund is used to account for the major general operations of the City except those required to be accounted for in a separate fund.

Special Revenue Funds – Special Revenue Funds are used to account for revenues restricted by law for specific purposes such as Education, Health, and Community Development Block Grants.

- **PROPRIETARY FUND TYPE**

Enterprise Funds – The Enterprise Funds are used to account for the operation of the American Airlines Building, which is financed and operated in a manner similar to private business enterprises where costs are financed or recovered primarily through user charges.

- **FIDUCIARY FUND TYPE**

Trust and Agency Funds – Trust and Agency Funds are used to account for assets held in a trust capacity for others. These include Expendable Trusts, Non-expendable Trusts, Pension Trusts and Agency Funds.

G

GENERAL FUND – The major municipally owned fund, which is created with city receipts and which is charged with expenditures payable from such revenues.

GFOA – Government Finance Officers Association.

GRAND LIST – Assessed value of all taxable property in the City.

GRANT – A contribution of assets by one governmental unit or other organization to another. Typically, these contributions are made to local governments from the state and federal governments. Grants are usually made for specific purposes.

I

INTERFUND TRANSFERS – Payments from one administrative budget fund to another, which result in the recording of a receipt and an expenditure.

INTERNAL SERVICE FUNDS – Used to account for and finance the City's risks of loss for Employee Benefits, Workers Compensation, and Liability and Property Damage.

L

LEGAL MANDATE – An action, restriction, prohibition, benefit or right established or required by federal, state or local law.

LIABILITY – Debt or other legal obligations arising out of transactions in the past, which must be liquidated, renewed or refunded at some future date.

LONGEVITY – Monetary payments to permanent full time employees who have been in the employ of the City for a minimum of six years.

M

MILL RATE – The mill rate is the rate of taxation levied on property subject to taxation under Connecticut General Statutes. One mill is equal to 1/1000 of a dollar. For example, a tax rate of 20 mills is equivalent to \$20.00 per \$1,000 of assessed value.

MODIFIED ACCRUAL – Basis of accounting for all governmental funds and expendable trust and agency funds under which revenues are recorded when they become measurable and available. Expenditures are recorded when the liability is incurred, except for interest on general long-term obligations, which is recorded when due.

N

NON-PERSONAL EXPENSES – An expenditure group that includes supplies and materials, contractual services, communications and transportation expenses, and other miscellaneous expenses.

NRZ – Neighborhood Revitalization Zones.

O

OBJECTIVE – An action taken to meet goals and strategies.

ORDINANCE – A law set forth by a governmental authority; a municipal regulation.

OVER-TIME EQUIVALENT (OTE) – A measurement based on the number of hours a position is budgeted for during the year for overtime expenses converted into the value of a full-time employee including benefits. The number is represented as a decimal. (See also: Full-Time Equivalent)

OUTCOME – A measure that assesses how well a service's goals and objectives are accomplished in terms of quality and effectiveness.

P

PART-TIME EQUIVALENT (PTE) – A measurement based on the number of hours a position is budgeted for during the year for part-time expenses converted into the value of a full-time employee including benefits. The number is represented as a decimal. (See also: Full-Time Equivalent)

PILOT – Payment In Lieu of Taxes.

POLICY – A definite course of action adopted after a review of information and directed at the realization of goals.

PRIORITY – A value that ranks goals and objectives in order of importance relative to one another.

PROCEDURE – A method used in carrying out a policy or plan of action.

PROGRAM – Collections of work-related activities initiated to accomplish a desired end.

PROPERTY, PLANT & EQUIPMENT – Durable goods usually valued over \$100 and having a useful life of more than 5 years.

R

RECOMMENDED BUDGET – The proposed budget for the ensuing fiscal year, that has been approved by the Mayor and forwarded to the Court of Common Council for their approval.

RESERVES – An account used to indicate that portion of fund equity, which is legally restricted for a specific purpose or not available for appropriation and subsequent spending.

REVENUE – Additions to the City's financial assets (such as taxes and grants) which do not in themselves increase the City's liabilities or cancel out a previous expenditure.

S

SUBMITTED BUDGET – Departmental estimates of revenue and expenditures for the ensuing fiscal year, submitted to the Chief Operating Officer, which are reviewed and used in formulating the recommended budget.

SUNDRY EXPENSES – An expenditure group that includes transfers, debt service, grant cash matches, grant subsidies, employee benefits, insurance payments and legal settlement costs.

SUPPLEMENTAL APPROPRIATION – Appropriations made by the City Council to cover expenditures that exceed the adopted appropriation level.

T

TAX ABATEMENT – Legal reduction or cancellation of tax obligation.

TAXABLE GRAND LIST – Reflects all property that is not subject to Section 12-81 of the Connecticut General Statutes which exempts from taxation federal, state, municipal, church and school property if that property is used for the purpose for which the agent is exempted.